

Message Text

CONFIDENTIAL

PAGE 01 STATE 012763

64

ORIGIN NODS-00

INFO OCT-01 ISO-00 /001 R

DRAFTED BY NEA/EGY:GRBEYER:HFMATTHEWS:PM

APPROVED BY P:JJSISCO

NEA:ALATHERTON

L/NEA:KBHUFFMAN

S/S:P.JOHNSON

----- 025708

O 172341Z JAN 76 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY TEL AVIV IMMEDIATE

AMEMBASSY CAIRO IMMEDIATE

C O N F I D E N T I A L STATE 012763

NODIS

E.O. 11652: GDS

TAGS: ENRG, IS, EG

SUBJECT: ISRAELI OIL EXPLORATION IN GULF OF SUEZ AND
SINAI

REF: (A) CAIRO 0211 (B) TEL AVIV 7797 (C) STATE 279392

(D) CAIRO 0457 (E) CAIRO 0423

FOR AMBASSADORS FROM UNDER SECRETARY SISCO

1. REF A IS CAIRO REPORT OF EGYPTIAN ORAL DEMARCHE TO US
REQUESTING U.S. GOOD OFFICES TO PREVENT ISRAEL FROM GOING
AHEAD WITH PLANS TO DEVELOP NEW OIL FIELDS IN SINAI IN-
CLUDING THEIR SEEKING TO ENLIST AMERICAN COMPANIES IN
THESE ACTIVITIES.

2. AMOCO HAS ALSO GIVEN US IN CONFIDENCE REPORT OF MEET-
ING DECEMBER 1, 1975 BETWEEN OFFICIALS OF AMOCO AND INDE-
PENDENT OIL OPERATOR R. B. MONCRIEF OF FORT WORTH, TEXAS,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 012763

WHICH SEEMS TO CORROBORATE EGYPTIAN ALLEGATIONS. THIS

REPORT QUOTES MONCRIEF THAT ISRAELI GOVERNMENT OIL COMPANY PLANS TO UNDERTAKE THIRTY MILLION DOLLAR DRILLING PROGRAM ENCOMPASSING TWO ONSHORE WELLS ON THE EAST BANK OF THE GULF OF SUEZ AND EIGHT WELLS IN THE GULF ITSELF. A LAND RIG WAS REPORTEDLY ALREADY ON LOCATION AND ISRAELI GOVERNMENT WAS LOOKING FOR A JACK-UP RIG TO DRILL IN THE GULF. SOME, IF

NOT ALL, OF THE GULF WELLS ARE SAID TO BE LOCATED IN AN AREA GRANTED TO AMOCO BY EGYPTIAN AUTHORITIES. MONCRIEF REPORTEDLY HAS FORMED PANAMANIAN COMPANY CALLED WESTERN DESERT OIL COMPANY WHICH IS OPERATING UNDER AUTHORITY OF ISRAEL IN MEDITERRANEAN AND ALSO ONSHORE TO NORTH AND EAST OF AREA WHERE DRILLING IS PROPOSED.

3. MONCRIEF SUGGESTED THAT, SINCE ISRAEL'S PARAMOUNT CONCERN WAS AN ASSURED SOURCE OF CRUDE SUPPLY, ISRAEL WOULD BE AMENABLE TO A DEAL WHEREBY IT COULD BE ASSURED OF THE RIGHT IN PERPETUITY TO PURCHASE, AT WORLD MARKET PRICES, 50 PERCENT OF THE PRODUCTION FROM THE FIELD. SUCH ARRANGEMENT WOULD HAVE TO BE MADE WITH THE CONSENT OF THE EGYPTIANS, AND SINCE AMOCO HAD THE ACREAGE IN QUESTION UNDER CONTRACT, AMOCO WOULD ALSO BE AN INTERESTED PARTY. MONCRIEF STATED THAT SINCE THE EGYPTIANS AND THE ISRAELIS WERE NOT TALKING, PERHAPS AMOCO COULD USE ITS GOOD AUSPICES TO CONTACT THE EGYPTIANS. MONCRIEF REPS WERE DISAPPOINTED, REPORTEDLY, WHEN AMOCO WOULD NOT MAKE DEAL AND STUCK TO ITS POSITION THAT EGYPT HAS SOVEREIGN RIGHTS TO ENTIRE GULF OF SUEZ, THAT THE USG ACKNOWLEDGED SUCH AUTHORITY, THAT SUCH RIGHTS WERE UNDISPUTED INTERNATIONALLY, AND THAT AMOCO HAD VALID CONTRACT WITH EGYPT.

4. EGYPTIANS HAD NOT PREVIOUSLY RAISED THIS MATTER WITH US OFFICIALLY AND IN ACCORD WITH ALLON'S DESIRE EXPRESSED IN DECEMBER 10 MEETING WITH TOON (REF B), WE HAD NOT DISCUSSED IT WITH EGYPTIANS. FAHMY HAS NOW ASKED FOR OUR INTERVENTION AND WE THEREFORE BELIEVE WE SHOULD ASK ALLON FOR RESULT HIS STUDY OF LEGAL AND POLITICAL ASPECTS THIS MATTER WHICH HE PROMISED US DURING DISCUSSION DECEMBER 10.

5. THERE IS ALSO REPORT BY AMOCO IN PARA 2, REF D, RE-CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 012763

GARDING FURTHER ISRAELI DRILLING ACTIVITIES IN GULF OF SUEZ AND REITERATION OF AMOCO'S CONCERN BECAUSE IT IS TAKING PLACE IN AMOCO'S CONCESSION AREA.

6. FOR AMBASSADOR TOON: YOU SHOULD SEEK EARLY APPOINTMENT WITH ALLON TO FOLLOW UP ON YOUR DECEMBER 10 DISCUSSION. YOU SHOULD TELL HIM OF FAHMY'S REQUEST IN REF A, AMOCO'S REPORT IN REF D, AND OF OUR SEPARATE REPORTS THAT

AMERICAN OIL ENTREPRENEURS ALLEGEDLY ACTING ON BEHALF OF ISRAELI GOVERNMENT OIL COMPANY HAVE SOUGHT TO BECOME INVOLVED IN ISRAELI OIL ACTIVITIES IN OCCUPIED SINAI AND GULF OF SUEZ (WITHOUT NAMING MONCRYEF). OOU SHOULD REITERATE USG LEGAL AND POLITICAL POSITIONS IN REF C, STATE OUR ADDED CONCERN OVER THE INVOLVEMENT OF AMERICAN COMPANIES, AND ASK ALLON FOR HIS PROMISED RESPONSE TO US ON THIS MATTER. YOU SHOULD ALSO EXPLAIN THAT WE OWE FAHMY AN

ANSWER, AND ASK FOR ALLON'S SUGGESTIONS ON HOW TO RESPOND TO FAHMY. YOU SHOULD TELL HIM WE RESPECTED HIS DESIRE TO KEEP THE MATTER BETWEEN US UP TILL NOW, BUT CAN NO LONGER DO SO.

- -

7. FOR AMBASSADOR EILTS: YOU SHOULD TELL FAHMY AT YOUR NEXT MEETING THAT WE ARE LOOKING INTO THIS MATTER AND WILL INFORM HIM WHEN WE HAVE COMPLETED OUR CONSIDERATION.

8. WE ALSO ASSUME THAT TEL AVIV IS INFORMING ISRAELIS OF AMOCO DRILLING PLANS IN GULF PER REF E.

KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, EXPLORATORY DRILLING, MILITARY OCCUPIED AREAS, CAT-C
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE012763
Document Source: CORE
Document Unique ID: 00
Drafter: GRBEYER:HFMATTHEWS:PM
Enclosure: REF:
Executive Order: GS
Errors: N/A
Film Number: P840086-0278
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760146/aaaabopm.tel
Line Count: 137
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NODS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: NODIS
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: NODIS
Reference: 76 CAIRO 211, 76 TEL AVIV 7797, 76 STATE 279392, 76 CAIRO 457, 76 CAIRO 423, 75 TEL AVIV 7797
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUN 2004 by BoyleJA>; APPROVED <05 OCT 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ISRAELI OIL EXPLORATION IN GULF OF SUEZ AND SINAI
TAGS: ENRG, IS, EG, US, AMOCO
To: TEL AVIV/CAIRO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006